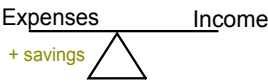


8.4 Living Expenses p. 468-476

Budgeting: **Manage your money**



-balancing household debt
and personal expenses
against your net income

His weekly earnings for the month of April were \$136.74, \$188.20, \$209.38, and \$173.66. Julian saves \$200 per month for college. His car is paid for and his insurance costs \$123 per month. He spends approximately \$75 per month on fuel and approximately \$100 per month on entertainment.

- a) Create a budget for Julian for the month of April.
- b) Explain Julian's end-of-month balance.

p 469

May 22-7:48 AM

May 4-7:46 AM

Income	Fixed Expense
136.74	Car Ins 123.00
188.20	
209.38	
173.66	
<u>707.98</u>	
	Variable Expense
	Fuel - 75.00
	Entertainment 100.00
	<u>298.00</u>
	Fixed Variable
	Savings - 200.00
	<u>498.00</u>
707.98	
<u>498.00</u>	
<u>209.98</u>	

Example 2

Change in Costs in a Budget

Mikal and Jenny have three children and own a four-bedroom house. This year, their car insurance increased by 5%, grocery expenses rose by 10%, and their home heating costs rose by 15%. Their monthly budget for last year is shown. All amounts are rounded to the nearest dollar.

Inflation 2%

May 22-12:42 PM

May 4-7:47 AM

INCOME (\$)		
Mikal	3200	
Jen	2900	
Total	6100	
EXPENSES (\$)		
Fixed Expenses	Variable Expenses (Average)	
Mortgage and Property Tax 2040	Groceries 800	
House Insurance 32	Electricity 120	
Car Insurance 188	Heating 220	
Life Insurance 500	Water 65	
Long-Term Savings 580	Telephone 35	
RSPs 400	Internet 35	
	Cable Television 30	
	Medical 170	
	Clothing 150	
	Home Repair Account 200	
	Charities 50	
	Entertainment 200	
	Vacation Account 200	
	Children's Accounts 100	
	Gift Account 100	
Total Fixed 2640	Total Variable 2460	
Total Expenses 6100		

a) Calculate the changes to their monthly budget items. Justify

b) Rebalance their budget. Justify

INCOME (\$)		
Mikal	3200	
Jen	2900	
Total	6100	
EXPENSES (\$)		
Fixed Expenses	Variable Expenses (Average)	
Mortgage and Property Tax 2040	Groceries 800	
House Insurance 32	Electricity 120	
Car Insurance 188	Heating 220	
Life Insurance 500	Water 65	
Long-Term Savings 580	Telephone 35	
RSPs 400	Internet 35	
	Cable Television 30	
	Medical 170	
	Clothing 150	
	Home Repair Account 200	
	Charities 50	
	Entertainment 200	
	Vacation Account 200	
	Children's Accounts 100	
	Gift Account 100	
Total Fixed 2640	Total Variable 2460	
Total Expenses 6100		

a) Calculate the changes to their monthly budget items. Justify

b) Rebalance their budget. Justify

May 4-7:47 AM

May 4-7:47 AM

Income	Fixed Expenses
6100	2040
	32
	188
	500
	Variable Expenses
	Savings
	580
	400
	2460

May 22-12:49 PM

INCOME (\$)			
Mikal	3200		
Jen	2900		
Total	6100		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Mortgage and Property Tax	2040	Groceries	880
House Insurance	32	Electricity	120
Car Insurance	197	Heating	253
Life Insurance	500	Water	65
Long-Term Savings	580	Telephone	35
RESPs	400	Internet	35
		Cable Television	30
		Medical	170
		Clothing	150
		Home Repair Account	200
		Charities	50
		Entertainment	150
		Vacation Account	128
		Children's Accounts	150
		Gift Account	100
Total Fixed	3649	Total Variable	2451
Total Expenses	6100		

May 4-7:49 AM

Key Concepts	
<ul style="list-style-type: none">You can expect to have different levels of income and expenses at different times in your life.To keep a budget balanced, an increase in some expenses must be countered by a decrease in other expenses, an increase in income, or both.	
p. 472- 476	
q. 1-4,6-8,10*	

May 22-1:09 PM

Dec 7-2:37 PM